

**AUDITED FINANCIAL STATEMENT
AND SUPPLEMENTARY INFORMATION**

NEMAHA COUNTY, KANSAS

December 31, 2011

Reese & Novelly, PA
Certified Public Accountants
Manhattan, Kansas

Audited Financial Statement and Other Financial Information

NEMAHA COUNTY, KANSAS

Year Ended December 31, 2011

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INDEPENDENT AUDITORS' REPORT

Board of County Commissioners
Nemaha County, Kansas

We have audited the summary statement of cash receipts, expenditures and unencumbered cash balances of Nemaha County, Kansas (County), as of and for the year ended December 31, 2011. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

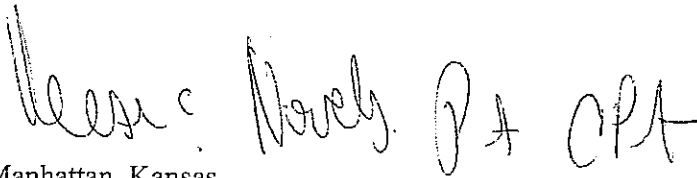
We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the *Kansas Municipal Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note A, the County has prepared this financial statement using accounting practices prescribed by the State of Kansas to demonstrate compliance with the cash basis and budget laws of the State of Kansas, which practices differ from accounting principles generally accepted in the United States of America. The effect on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statement referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Nemaha County, Kansas, as of December 31, 2011, the changes in its financial position, or, where applicable, its cash flows for the year then ended. Further, the County has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the aggregate cash and unencumbered cash balance of Nemaha County, Kansas, as of December 31, 2011, and the aggregate cash receipts and expenditures for the year then ended, on the basis of accounting described in Note A.

Our audit was conducted for the purpose of forming an opinion on the financial statement of Nemaha County, Kansas as a whole. The supplementary information as listed in the table of contents (Schedules 1-5) is presented for purposes of additional analysis and is not a required part of the statutory financial statements. Such information is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the statutory basis financial statements taken as a whole.

Handwritten signature of Keesha C. Novak, CPA.

Manhattan, Kansas
November 12, 2012

FINANCIAL STATEMENT

**SUMMARY OF CASH RECEIPTS, EXPENDITURES AND
UNENCUMBERED CASH (STATEMENT 1)**

NEMAHA COUNTY, KANSAS

Year Ended December 31, 2011

<u>FUNDS</u>	Beginning Unencumbered Cash Balance (Restated)	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Governmental Fund Types:							
General	\$ 1,126,155	\$	\$ 2,871,211	\$ 2,144,300	\$ 1,853,066	\$ 43,705	\$ 1,896,771
Bond and Interest Fund:							
Bond and Interest	2,588		142,145	142,145	2,588		2,588
Special Revenue Funds:							
Law Enforcement Exp Fund	18,047		986,548	940,720	63,875	4,393	68,268
Road & Bridge	205,055		3,246,818	2,861,952	589,921	23,862	613,783
Noxious Weed	2,205		304,864	267,502	39,567		39,567
Employee Benefits Fund	403,532		936,016	1,237,292	102,256	709	102,965
Election	18,685		71,711	71,078	19,318		19,318
Mental Health	(151)		58,060	57,850	59		59
Conservation District	(84)		32,520	32,399	37		37
Historical	(5)		1,987	1,987	(5)	321	316
Ambulance	35,309		72,478	82,600	25,187	4,500	29,687
Abandoned Cemeteries	11,294		4,461	8,259	7,496	3,864	11,360
Mental Retardation	(218)		80,326	79,999	109		109
Fair	1		5,849	5,800	50		50
Sheltered Workshop Building	28,340		5,474	2,051	31,763		31,763
Economic Development	(65)		25,089	25,000	24		24
Solid Waste	46,714		162,947	187,931	21,730	6,798	28,528
Enhanced 911 - Phone Service	125,089		39,549	35,204	129,434	357	129,791
Enhanced 911 - Cell Phones	63,456		14,854		78,310		78,310
Parks and Recreation	15,401		1,338	2,272	14,467		14,467
Alcoholic Control	18,302		19,772	11,886	26,188		26,188
Register of Deeds Technology Fund	26,504		12,112	10,605	28,011		28,011

The notes to the financial statement are an integral part of this statement.

**SUMMARY OF CASH RECEIPTS, EXPENDITURES AND
UNENCUMBERED CASH (STATEMENT 1)**

NEMAHA COUNTY, KANSAS

Year Ended December 31, 2011

FUNDS	Beginning Unencumbered Cash Balance (Restated)	Prior Year Canceled Encumbrances	Cash Receipts	Expenditures	Ending Unencumbered Cash Balance	Outstanding Encumbrances and Accounts Payable	Ending Cash Balance
Non-Budgeted Special Revenue Funds:							
Concealed Carry Handgun	2,883		2,902		5,785		5,785
Prosecutor Training Account	9,022		914		9,936		9,936
Special Administration			20,958	20,958	-		-
Special Reserve Funds:							
Special Machinery and Equipment	415,335		598,000	317,292	696,043		696,043
Capital Outlay	3,735,910		417,600	648,292	3,505,218		3,505,218
Waste Disposal			2	2	-		-
Grants and Donation Funds:							
Transportation for Aging	424		82,865	81,411	1,878	377	2,255
Title III C-1	2,258		122,085	122,257	2,086	1,894	3,980
Title III C-2	2,343		54,326	54,045	2,624	154	2,778
Broxterman EMT			179,994		179,994		179,994
Broxterman Home Health			179,994		179,994		179,994
Broxterman Disabled - Mental			119,996		119,996		119,996
Donations	1,995				1,995		1,995
Heritage Trust Fund	2,183		2,287	2,678	1,792		1,792
Drug Enforcement I	96				96		96
Grants	30,270		516,577	532,446	14,401	1,352	15,753
TOTAL SPECIAL REVENUE FUNDS	5,220,130	-	8,381,273	7,701,768	5,899,635	48,581	5,948,216
TOTAL FINANCIAL REPORTING ENTITY	\$ 6,348,873	\$ -	\$ 11,394,629	\$ 9,988,213	\$ 7,755,289	\$ 92,286	\$ 7,847,575

The notes to the financial statement are an integral part of this statement.

**SUMMARY OF CASH RECEIPTS, EXPENDITURES AND
UNENCUMBERED CASH (STATEMENT 1)**

NEMAHA COUNTY, KANSAS

Year Ended December 31, 2011

Composition of Cash:

Checking accounts	\$ 5,343,848
Certificates of deposit	11,300,000
Cash drawers	400
Clerk of the District Court	27,841
Law Library	19,446
Sheriff - General Fund	3,006
Sheriff - Motor Vehicle Fund	12
Inmate Fund	707
Sheriff - Tax Fund	5
Transportation	104
Nutrition Center	310
EFTPS Withholding Account	<u>101,638</u>
TOTAL CASH	16,797,317
 Less: Fiduciary Funds per Schedule 3	 <u>(8,949,742)</u>
 TOTAL REPORTING ENTITY (EXCLUDING FIDUCIARY FUNDS)	 <u>\$ 7,847,575</u>

The notes to the financial statement are an integral part of this statement.

NOTES TO FINANCIAL STATEMENT

NEMAHA COUNTY, KANSAS

December 31, 2011

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nemaha County, Kansas (County) is a municipal corporation governed by an elected three-member commission. These financial statements present only the County (the primary government) and do not include the financial data of any component units. The accounting policies of the County conform to the cash-basis and budget laws of Kansas. The following is a summary of the more significant policies:

1. The Financial Reporting Entity: The financial reporting entity of the County is comprised of only the primary government the County and does not include its component units.

The basic criterion for including a separate governmental entity in the County's financial reporting entity is the financial accountability of the County for the separate entity. The County is financially accountable if it appoints a voting majority of a component unit's governing body and if it either has the ability to impose its will on the component unit or there is a potential for the component unit to provide certain financial benefits to, or impose certain financial burdens on, the primary government.

2. Fund Accounting: The accounts of the County are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into generic fund types and broad fund categories as follows:

Governmental Funds

The General Fund is the general operating fund of the County. It is used to account for all financial resources except those that are required to be accounted for in another fund.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Funds are used to account for the accumulation of financial resources for, and the payment of general long-term debt principal, interest, and related costs.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

NOTES TO FINANCIAL STATEMENT

NEMAHA COUNTY, KANSAS

December 31, 2011

Proprietary Funds (Business-Type Activities)

Enterprise Funds are used to account for operations that provide goods or services to the general public on a continuing basis. Such operations are financed and operated in a manner similar to private business enterprises and (a) are intended to be self supporting through charges to users or (b) the governing body has deemed it appropriate to account for them as enterprise funds for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary Funds

Trust and Agency Funds are used to account for assets held by the County in a trust capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Included in this classification are distributable funds, which are used to account for tax receipts which are to be distributed to the other funds of the County and to the other political subdivisions within the County for whom the County acts as an agent.

3. Basis of Presentation: The statutory basis of accounting, as used in the preparation of these statutory basis financial statements, is designed to demonstrate compliance with the cash basis and budget laws of the State of Kansas. Cash receipts are recognized when the cash balance of a fund is increased. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services, and are usually evidenced by a purchase order or written contract. For an interfund transaction, a cash receipt is recorded in the fund receiving cash from another fund, and the expenditure would be charged in the fund from which the transfer is made.

The County has approved a resolution that is in compliance with K.S.A. 75-1120a(c), waiving the requirement for application of generally accepted accounting principles and allowing the municipality to use the statutory basis of accounting.

Departure from Generally Accepted Accounting Principles: The basis of accounting described above results in a financial statement presentation, which shows cash receipts, cash disbursements, cash and unencumbered cash balances, and expenditures compared to budget. Balance sheets that would have shown non-cash assets such as receivables, inventories and prepaid expense; liabilities such as deferred revenue and matured principal and interest payable; and reservations of the fund balance are not presented. Under accounting principles generally accepted in the United States of America, encumbrances are only recognized as a reservation of fund balance; encumbrances outstanding at year-end do not constitute expenditures or liabilities. Consequently, the expenditures as reported do not present the cost of goods and services received during the fiscal year in accordance with generally accepted accounting principles. Capital assets that account for the land, buildings, and equipment owned by the County are not presented in the financial statements.

NOTES TO FINANCIAL STATEMENT

NEMAHA COUNTY, KANSAS

December 31, 2011

Also, long-term debt such as general obligation bonds, revenue bonds, capital leases, temporary notes, and compensated absences are not presented in the financial statements.

4. Budgetary Information: Kansas statutes require that an annual operating budget be legally adopted for the general fund, special revenue funds (unless specifically exempted by statute), debt service funds, and enterprise funds. The statutes provide for the following sequence and timetable in the adoption of the legal annual operating budget:
 - a. Preparation of the budget for the succeeding calendar year on or before August 1st. At the County, this process begins in May when budget worksheets are mailed to each department. These budget worksheets are returned to the County Administrator's Office for compilation and verification in June. The County Commissioners review budgets by each department in June and July.
 - b. Publication in local newspaper of the proposed budget and notice of public hearing on the budget on or before August 5th.
 - c. Public hearing on or before August 15th, but at least ten days after publication of notice of hearing.
 - d. Adoption of the final budget on or before August 25th.

The statutes allow for the governing body to increase the originally adopted budget for previously unbudgeted increases in revenue other than ad valorem property taxes. To do this, a notice of a public hearing to amend the budget must be published in the local newspaper. At least ten days after publication, the hearing may be held and the governing body may amend the budget at that time.

The statutes permit transferring budgeted amounts between line items within an individual fund; County policy requires such transfers to be approved by the County Commissioners. However, statutes prohibit expenditures in excess of the total amount of the adopted budget of expenditures of individual funds. Budget comparison statements are presented for each fund showing actual receipts and expenditures compared to legally budgeted receipts and expenditures.

All legal annual operating budgets are prepared using the modified accrual basis of accounting, modified further by the encumbrance method of accounting. Revenues are recognized when cash is received. Expenditures include disbursements, accounts payable, and encumbrances. Encumbrances are commitments by the municipality for future payments and are supported by a document evidencing the commitment, such as a purchase order or contract. Any unused budgeted expenditure authority lapses at year end.

NOTES TO FINANCIAL STATEMENT

NEMAHA COUNTY, KANSAS

December 31, 2011

A legal operating budget is not required for capital project funds, fiduciary funds, permanent funds, certain special revenue funds (exempted by Kansas Statute):

K.S.A. 12-110d: Special Ambulance or emergency medical service equipment fund
K.S.A. 12-663: Federal Grant funds
K.S.A. 12-16, 111: State Loans and Grant funds
K.S.A. 12-17, 118: Neighborhood Revitalization fund
K.S.A. 19-119: County Equipment Reserve funds
K.S.A. 19-120: Multi-year Capital Improvement funds
K.S.A. 19-15,136: Special Building funds
K.S.A. 28-115a: Register of Deeds Technology funds
K.S.A. 68-141g: Special Road, Bridge or Street Building Machinery, Equipment and Bridge Building funds
K.S.A. 68-559a: Special Road & Bridge fund
K.S.A. 68-590: Special Highway Improvement fund
K.S.A. 68-1135: Special Bridge & Culvert fund

Spending in funds which are not subject to the legal annual operating budget requirements is controlled by federal regulations, other statutes, or by the use of internal spending limits established by the governing body.

5. Special Assessments: Projects financed in part by special assessments are financed through general obligation bonds of the County and/or revolving loans issued by the Kansas Department of Transportation. Both of which are either retired from the General Fund or the Bond and Interest Debt Service Fund as appropriate. Special assessments paid prior to the issuance of bonds are recorded as revenue in the appropriate project. Special assessments received after the issuance of bonds are recorded as revenue in the General Fund or the Bond and Interest Debt Service Fund as appropriate.
6. Investments: Investments are stated at cost, which approximates market.
7. Compensated Absences: The County provides certain vacation time benefits, i.e., paid time off, to full-time and part-time employees who meet eligibility requirements based upon length of service with the County. All unused vacation time is paid to the employee upon termination of employment at his or her final rate of pay.

Sick leave is granted to full-time and part-time employees who work more than 1,000 hours per year at a rate of 8 hours per month (96 hours per year) for full-time employees and 4 hours per month (48 hours per year) for part-time employees. Up to 720 hours of sick leave is paid to the employee at 50% value upon termination of employment.

At December 31, 2011, the County's liability for unused vacation and sick time is approximately \$327,042, attributable entirely to governmental funds.

NOTES TO FINANCIAL STATEMENT

NEMAHA COUNTY, KANSAS

December 31, 2011

8. Property Taxes: In accordance with governing state statutes, property taxes levied during the current year are a revenue source to be used to finance the budget of the ensuing year. Taxes are assessed on a calendar year basis and become a lien on the property on November 1 of each year. The County Treasurer is the tax collection agent for all taxing entities within the County. Property owners have the option of paying one-half or the full amount of the taxes levied on or before December 20 during the year levied with the balance to be paid on or before May 10 of the ensuing year. State statutes prohibit the County Treasurer from distributing taxes collected in the year levied prior to January 1 of the ensuing year. Consequently, for revenue recognition purposes, the taxes levied during the current year are not due and receivable until the ensuing year.

NOTE B—DEPOSITS AND INVESTMENTS

As of December 31, 2011, the County did not have any investments other than certificates of deposit.

K.S.A. 9-1401 establishes the depositories which may be used by the County. The statute requires banks eligible to hold the County's funds have a main or branch bank in the county in which the Government is located, or in an adjoining county if such institution has been designated as an official depository, and the banks provide an acceptable rate of return on funds. In addition, K.S.A. 9-1402 requires the banks to pledge securities for deposits in excess of FDIC coverage. The County has no other policies that would further limit interest rate risk.

K.S.A. 12-1675 limits the County's investment of idle funds to time deposits, open accounts, and certificates of deposit with allowable financial institutions; U.S. government securities; temporary notes; no-fund warrants; repurchase agreements; and the Kansas Municipal Investment Pool. The County has no investment policy that would further limit its investment choices. The rating of the County's investments is noted above.

Concentration of credit risk: State statutes place no limit on the amount the County may invest in any one issuer as long as the investments are adequately secured under K.S.A. 9-1402 and 9-1405. The County had no investments other than certificates of deposit (which are secured through FDIC coverage and pledged securities) at December 31, 2011 (included in balances below).

Custodial credit risk – deposits: Custodial credit risk is the risk that in the event of a bank failure, the County's deposits may not be returned to it. State statutes require the County's deposits in financial institutions to be entirely covered by federal depository insurance or by collateral held under a joint custody receipt issued by a bank within the State of Kansas, the Federal Reserve Bank of Kansas City, or the Federal Home Loan Bank of Topeka, except during designated "peak periods" when required coverage is 50%. The County's designated "peak periods" are from December 1 – January 29 and May 1 – June 29. All deposits were legally secured at December 31, 2011.

NOTES TO FINANCIAL STATEMENT

NEMAHA COUNTY, KANSAS

December 31, 2011

At December 31, 2011, the carrying amount of the County's deposits, including certificates of deposit, was \$16,797,317 and the bank balance was \$17,093,441. The bank balance was held by eight banks which does not result in a concentration of credit risk. Of the bank balance, \$2,115,329 was covered by federal depository insurance, and the remaining \$14,978,112 was collateralized with securities held by the pledging financial institutions' agents in the County's name.

Custodial credit risk – investments: For an investment, this is the risk that, in the event of the failure of the issuer or counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. State statutes require investments to be adequately secured.

NOTE C—GENERAL LONG-TERM DEBT

The following is a summary of debt transactions of the County for the year ended December 31, 2011: (See Notes L and M for the schedules of long-term liabilities and current maturities of long-term debt)

	Beginning of Year	Issued	Retired	End of Year
General Obligation Bonds	\$ 360,000	\$	\$ 360,000	\$ -
Capital Leases	224,930		91,102	133,828
TOTAL LONG-TERM DEBT	\$ 584,930	\$ -	\$ 451,102	\$ 133,828

Total interest expense for the year was \$21,726.

Bonded Indebtedness Limitation

Kansas statutes restrict the level of the authorized and outstanding bonded indebtedness of the County to not more than three percent of the assessed value of all tangible property within such county, as certified to the County Clerk on the preceding August 25.

Total assessed valuation as of November 5, 2010	\$ 129,656,714
3% Debt Limit	3,889,701
Total Outstanding General Obligation Debt	-
General Obligation Debt Margin	<u>\$ 3,889,701</u>

NOTES TO FINANCIAL STATEMENT

NEMAHA COUNTY, KANSAS

December 31, 2011

NOTE D—DEFINED BENEFIT PENSION PLAN

Plan Description: The County contributes to the Kansas Public Employees Retirement System (KPERS), a cost-sharing multiple-employer defined benefit pension plan as provided by K.S.A. 74-4901, *et seq.* KPERS provides retirement benefits, life insurance, disability income benefits, and death benefits. Kansas law establishes and amends benefit provisions. KPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to KPERS (611 S. Kansas, Suite 100; Topeka, KS 66603) or by calling 1-888-275-5737.

Funding Policy: K.S.A. 74-4919 establishes the KPERS member-employee contribution rate at 4 percent of covered salary for employees hired before July 1, 2009 and 6 percent of covered salary for employees hired on or after July 1, 2009. The employer collects and remits member-employee contributions according to the provisions of section 414(h) of the Internal Revenue Code. State law provides that the employer contribution rate be determined annually based on the results of an annual actuarial valuation. KPERS is funded on an actuarial reserve basis. State law sets a limitation on annual increases in the employer contribution rates.

The KPERS employer rate established by statute for January 1, 2011 thru March 31, 2011 and July 1, 2011 thru December 31, 2011 was 7.74 percent. For the period of April 1, 2011 thru June 30, 2011 the state issued a moratorium on the employer's insurance contributions of 1 percent, setting the employer's rate to 6.74 percent. The County employer contributions to KPERS for the years ending December 31, 2011, 2010, and 2009 were \$180,642, \$157,314, and \$146,219, respectively, equal to the statutory required contributions for each year.

NOTE E—OTHER POST EMPLOYMENT BENEFIT

As provided by K.S.A. 12-5040, the County allows retirees to participate in the group health insurance plan. While each retiree pays the full amount of the applicable premium, conceptually, the local government is subsidizing the retirees because each participant is charged a level of premium regardless of age. However, the cost of this subsidy has not been quantified in these financial statements.

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the government makes health care benefits available to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium is paid in full by the insured. There is no cost to the County under this program.

NOTES TO FINANCIAL STATEMENT

NEMAHA COUNTY, KANSAS

December 31, 2011

NOTE F—COMMITMENTS AND CONTINGENCIES

Litigation—There are a number of claims and/or lawsuits to which the County is a party as a result of matters and complaints arising in the ordinary course of County activities. The County management and legal counsel anticipate that the potential claims against the County not covered by insurance, if any, resulting from such matters would not materially affect the financial position of the County.

Risk Management—The County is exposed to various risks of loss related to theft of, damage to, or destruction of assets; errors and omissions; injuries to employees and natural disasters. The County manages these various risks of loss through commercial insurance with varying deductibles. All deductibles are under \$5,000. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years.

NOTE G—BUDGETED FUNDS

The budgets for Noxious Weed and Road & Bridge Funds were amended during 2011. The Summary of Expenditures – Actual and Budget (Schedule 1) and Schedule of Cash Receipts and Expenditures (Schedule 2) reflects the amendments.

NOTE H– TRANSFERS

Operating transfers were as follows:

FROM	TO	Statutory Authority	Amount
General Fund	Capital Reserve	KSA 19-120	\$ 376,000
Law Enforcement	Capital Reserve	KSA 19-120	\$ 41,600
Road & Bridge	Special Machinery	KSA 68-141g	\$ 598,000
Road & Bridge	Bond & Interest	KSA 68-559a	\$ 142,145
			<u>\$ 1,157,745</u>

NOTE I – PRIOR PERIOD ADJUSTMENT

The County has determined that certain transactions and funds were recorded and/or omitted incorrectly in a prior year. Beginning unencumbered cash balances and encumbrances have been restated to reflect the corrections in the amount of (\$702,789), as detailed below.

Prior Period Inter-Fund Transfers: The beginning unencumbered cash balances have been restated to reflect the prior year end inter-fund transfers approved by the Commission not reflected in the audited financial statements. The net amount of the change to the financial statements as a whole is zero.

NOTES TO FINANCIAL STATEMENT

NEMAHA COUNTY, KANSAS

December 31, 2011

Correction of Error Encumbrances: The prior year ending encumbrances for the financial statements as a whole were understated at December 31, 2010 in the amount of \$780,798, due to errors in closing of prior period balances into ending unencumbered cash balances, as well as errors in the inclusion of the warrants paid in the following fiscal year for expenditures chargeable to the 2010.

Change in Reporting Entity: The prior year audited financial statements excluded funds under control of the County and/or required by State statute to be included in the County's financial statements as part of the reporting entity. As a result of the omission of the following funds, the net fund balances of the County's financial statements as a whole have been adjusted by \$78,009 as shown below.

Reconciliation of Restated Unencumbered Cash Balances as of December 31, 2010:

Fund	Ending Unencumbered Cash Balance Prior Audit	Net Change in Corrections for Prior Year Inter-fund Transfers	Net Change in Correction for Prior Year Encumbrances (see below)	Net Change for effect of change in reporting entity	Restated Ending Unencumbered Cash Balances at 12/31/2010
General Fund	\$1,687,526	\$ (570,000)	\$ 8,630	\$	\$1,126,155
Law Enforcement Fund	57,786	(33,000)	(6,739)		18,047
Road & Bridge Fund	549,302	(330,000)	(14,247)		205,055
Noxious Weed Fund	54,825	(28,000)	(24,620)		2,205
Employee Benefit Fund	393,313		10,219		403,532
Election Fund	58,085		(39,400)		18,685
Mental Health Fund			(151)		(151)
Conservation District			(84)		(84)
Special Machinery & Equipment	10,529	330,000	74,806		415,335
Historical Fund			(5)		(5)
Ambulance Fund	37,209		(1,900)		35,309
Mental Retardation			(218)		(218)
Transportation for Aging	1,406		(982)		424
Title IIIC-1	4,002		(1,744)		2,258
Title IIIC-2	2,469		(126)		2,343
Economic Development			(65)		(65)
Capital Outlay Fund	3,869,510	631,000	(764,600)		3,735,910
Solid Waste	66,286		(19,572)		46,714
District Court				23,719	23,719
Law Library				26,170	26,170
Sheriff – General Fund				3,006	3,006
Sheriff – Motor Vehicle Fund				12	12
Sheriff – Inmate Fund				1,609	1,609
Sheriff – Tax Fund				5	5
Transportation				2	2
Nutrition Center				1	1
EFTPS Withholding				23,485	23,485
Net Effect on Prior Year Statements		\$ -	\$ (780,798)	\$ 78,009	

NOTES TO FINANCIAL STATEMENT

NEMAHA COUNTY, KANSAS

December 31, 2011

Reconciliation of Restated Encumbrances as of December 31, 2010:

Fund	Ending Encumbrances / Accounts Payable Prior Audit	Correction to Encumbrances as of 12/31/2010	Restated Encumbrances / Accounts Payable as of 12/31/2010
General Fund	\$ 41,101	\$ (8,630)	\$ 32,471
Law Enforcement Fund		6,739	6,739
Road & Bridge Fund	685	14,247	14,932
Noxious Weed Fund		24,620	24,620
Employee Benefit Fund	10,790	(10,219)	571
Election Fund	39,400	39,400	
Mental Health Fund		151	151
Conservation District		84	84
Special Machinery & Equipment	74,806	(74,806)	
Historical Fund		5	5
Ambulance Fund		1,900	1900
Mental Retardation		218	218
Transportation for Aging		982	982
Title IIIC-1		1,744	1,744
Title IIIC-2		126	126
Economic Development		65	65
Capital Outlay Fund	(764,300)	764,600	300
Solid Waste	(2,050)	19,572	17,522
Net Effect on Prior Year Statements		\$ 780,798	

NOTE J – DONOR RESTRICTED FUNDS

In 2011 the County was named as a beneficiary of an individual's estate at the date of their death. The assets were settled on August 31, 2011 and the County received funds with the stipulation from the donor's estate the funds be spent in the following ways. The funds have been accounted for as a special revenue fund, reported in the Statement Summary Cash Receipts and Expenditure and Unencumbered Cash.

- \$179,994 to Nemaha County, Kansas to be spent on Nemaha County Home Health Care as directed by the County Commission.
- \$179,994 to Nemaha County, Kansas for to used for EMT units in said county as directed by the County Commission.
- \$119,996 to Nemaha County for crippled children and mentally challenged children in the County, as directed by the County Commission.

NOTES TO FINANCIAL STATEMENT

NEMAHA COUNTY, KANSAS

December 31, 2011

NOTE K – MANAGEMENT’S REVIEW OF SUBSEQUENT EVENTS

In preparing these financial statements, the County has evaluated events and transactions for potential recognition or disclosure through November 12, 2012, the date the financial statements were available to be issued.

NOTES TO FINANCIAL STATEMENTS

NEMAHA COUNTY, KANSAS

December 31, 2011

NOTE L - SCHEDULE OF LONG-TERM DEBT

The following is a schedule of changes in long-term debt for the County for the year ended December 31, 2011

	Interest Rate	Date Issued	Original Amount	Date of Final Maturity	Outstanding January 1, 2011	Issued	Retired	Net Change	Outstanding December 31, 2011	Interest Paid
GENERAL OBLIGATION BONDS										
2004 Refunding Bonds	1.6-3.5%	12/1/2004	<u>\$ 1,045,000</u>	12/1/2013	<u>\$ 360,000</u>	<u>\$</u>	<u>\$ 360,000</u>	<u>\$ (360,000)</u>	<u>\$ -</u>	<u>\$ 12,145</u>
CAPITAL LEASE AGREEMENTS										
2006 Cat Motorgrader	3.75%	6/5/2008	180,225	06/05/13	112,089		35,996	(35,996)	76,093	4,203
2 Cat Motorgraders	4.75%	4/9/2007	221,546	4/9/2012	94,382		46,095	(46,095)	48,287	4,483
John Deere Tractor	4.85%	7/31/2009	<u>36,959</u>	7/31/2012	<u>18,459</u>		<u>9,011</u>	<u>(9,011)</u>	<u>9,448</u>	<u>895</u>
TOTAL CAPITAL LEASES			<u>438,730</u>		<u>224,930</u>	<u>-</u>	<u>91,102</u>	<u>(91,102)</u>	<u>133,828</u>	<u>9,581</u>
TOTAL INDEBTEDNESS			<u>\$ 1,483,730</u>		<u>\$ 584,930</u>	<u>\$ -</u>	<u>\$ 451,102</u>	<u>\$ (451,102)</u>	<u>\$ 133,828</u>	<u>\$ 21,726</u>

NOTES TO FINANCIAL STATEMENTS

NEMAHA COUNTY, KANSAS

December 31, 2011

NOTE M: SCHEDULE OF MATURITY OF LONG TERM DEBT

The current maturities of long term debt and interest for the next five years and in five year increments through maturity as follows:

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Total</u>
PRINCIPAL						
Capital leases payable	<u>\$ 95,081</u>	<u>\$ 38,747</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 133,828</u>
INTEREST						
Capital leases payable	<u>5,604</u>	<u>1,453</u>	<u></u>	<u></u>	<u></u>	<u>7,057</u>
TOTAL PRINCIPAL AND INTEREST	<u><u>\$ 100,685</u></u>	<u><u>\$ 40,200</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 140,885</u></u>

SUPPLEMENTARY INFORMATION

**SUMMARY OF EXPENDITURES - BUDGET AND ACTUAL
BUDGETED FUNDS ONLY (SCHEDULE 1)**

NEMAHA COUNTY, KANSAS

For the Year Ended December 31, 2011

	<u>Certified Budget (As Amended)</u>	<u>Adjustment for Qualifying Budget Credits</u>	<u>Total Budget for Comparison</u>	<u>Expenditures Chargeable to Current Year</u>	<u>Favorable (Unfavorable) Variance</u>
Governmental Fund Types:					
General	\$ 2,470,388	\$	\$ 2,470,388	\$ 2,144,300	\$ 326,088
Bond and Interest Fund:					
Bond and Interest			-	142,145	(142,145)
Special Revenue Funds:					
Law Enforcement Fund	950,000		950,000	940,720	9,280
Road and Bridge	3,325,000		3,325,000	2,861,952	463,048
Noxious Weed	303,250		303,250	267,502	35,748
Employee Benefits Fund	1,260,000		1,260,000	1,237,292	22,708
Election	106,280		106,280	71,078	35,202
Mental Health	57,850		57,850	57,850	-
Conservation District	32,400		32,400	32,399	1
Historical	2,000		2,000	1,987	13
Ambulance	90,000		90,000	82,600	7,400
Abandoned Cemeteries	10,000		10,000	8,259	1,741
Mental Retardation	80,000		80,000	79,999	1
Fair	5,800		5,800	5,800	-
Sheltered Workshop Building	17,500		17,500	2,051	15,449
Economic Development	25,000		25,000	25,000	-
Solid Waste	170,000		170,000	187,931	(17,931)
Enhanced 911 - Phone Service	179,236		179,236	35,204	144,032
Enhanced 911 - Cell Phones	67,462		67,462		67,462
Parks and Recreation	10,148		10,148	2,272	7,876
Alcoholic Control	16,330		16,330	11,886	4,444
Register of Deeds Technology Fund	66,135		66,135	10,605	55,530

See Independent Auditor's Report.

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND - (SCHEDULE 2)**

NEMAHA COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 1,268,111	\$ 1,254,749	\$ (13,362)
Motor vehicle tax	56,656	60,819	4,163
Recreation vehicle tax	768	870	102
Delinquent tax		4,354	4,354
Excise Tax		50	50
Redemptions		2,581	2,581
Sales and use tax	399,580	842,496	442,916
Local alcohol liquor tax		1,338	1,338
Miscellaneous tax revenue		10,638	10,638
Licenses, permits, and fees	100,000	243,431	143,431
Charges for services	10,000	6,952	(3,048)
Use of money and property	100,000	128,930	28,930
Fines, forfeitures, and penalties	15,000	20,370	5,370
Reimbursements	150,000	288,769	138,769
Grants	5,000		(5,000)
Miscellaneous		4,864	4,864
TOTAL CASH RECEIPTS	2,105,115	2,871,211	766,096
Expenditures:			
County Commission	325,000	73,022	251,978
County Clerk	171,620	137,392	34,228
County Treasurer	173,148	140,515	32,633
County Attorney	120,000	137,311	(17,311)
Register of Deeds	97,700	81,769	15,931
Appraiser	175,000	184,339	(9,339)
General Courthouse	857,000	449,884	407,116
Unified Courts	59,680	29,766	29,914
Civil Defense	35,000	37,720	(2,720)
Jury	18,000		18,000
Community Building	25,000	18,516	6,484
Juvenile Detention	10,000	4,650	5,350
Recycling	150,000	273,428	(123,428)
Health Officer	7,200	13,123	(5,923)
Home Health	38,272	33,213	5,059
Nemaha County Aging	140,000	112,582	27,418

See Independent Auditor's Report

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL
GENERAL FUND - (SCHEDULE 2)**

NEMAHA COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Expenditures (contintued)			
Meals on Wheels	16,500	2,986	13,514
Alcohol and Drug Awareness		75	(75)
Diversion	15,000	19,481	(4,481)
Three Rivers, Inc.	15,000		15,000
Fair	10,300	10,300	-
District Court	10,968	8,228	2,740
Transfers out		376,000	(376,000)
TOTAL EXPENDITURES	2,470,388	2,144,300	326,088
RECEIPTS OVER (UNDER) EXPENDITURES	(365,273)	726,911	
Beginning Unencumbered Cash Balance	365,273	1,687,525	
Prior Period Adjustment (Note)		(561,370)	
Beginning Unencumbered Cash Balance (Restated)	365,273	1,126,155	
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 1,853,066	

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - BOND AND INTEREST
BOND AND INTEREST FUND - (SCHEDULE 2)**

NEMAHA COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Operating transfers	\$	\$ 142,145	\$ 142,145
Expenditures:			
Contractual and other expenditures		142,145	(142,145)
RECEIPTS OVER (UNDER) EXPENDITURES	-	-	
Beginning Unencumbered Cash Balance		2,588	
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 2,588	

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - LAW ENFORCEMENT FUND
SPECIAL REVENUE FUND - (SCHEDULE 2)**

NEMAHA COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 798,333	\$ 789,242	\$ (9,091)
Motor vehicle tax	87,699	94,088	6,389
Recreation vehicle tax	1,186	1,345	159
Delinquent tax		493	493
Excise Tax		77	77
Redemptions		2,780	2,780
Licenses, permits, and fees	3,500	6,206	2,706
Charges for services	55,000	92,317	37,317
TOTAL CASH RECEIPTS	945,718	986,548	40,830
Expenditures:			
Personnel expenditures	680,000	712,250	(32,250)
Contractual and other expenditures	60,000	82,662	(22,662)
Material and supplies	160,000	87,560	72,440
Capital Outlay	50,000	16,023	33,977
Grant Expense		625	(625)
Operating transfers		41,600	(41,600)
TOTAL EXPENDITURES	950,000	940,720	9,280
RECEIPTS OVER (UNDER) EXPENDITURES	(4,282)	45,828	
Beginning Unencumbered Cash Balance	4,282	57,786	
Prior Period Adjustment (Note)		(39,739)	
Beginning Unencumbered Cash Balance (Restated)	4,282	18,047	
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 63,875	

See Independent Auditor's Report

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - ROAD AND BRIDGE
SPECIAL REVENUE FUND - (SCHEDULE 2)**

NEMAHA COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 2,650,326	\$ 2,423,846	\$ (226,480)
Motor vehicle tax	270,898	291,052	20,154
Recreation vehicle tax	3,662	4,160	498
Delinquent tax		1,422	1,422
Excise Tax		237	237
Redemptions		8,529	8,529
City and county highway fund	340,000	408,990	68,990
Reimbursements	60,000	108,582	48,582
TOTAL CASH RECEIPTS	3,324,886	3,246,818	(78,068)
Expenditures:			
Personnel expenditures	550,000	542,455	7,545
Contractual and other expenditures	350,000	354,834	(4,834)
Material and supplies	1,970,000	1,224,518	745,482
Capital Outlay	150,000		150,000
Operating transfers	305,000	740,145	(435,145)
TOTAL EXPENDITURES	3,325,000	2,861,952	463,048
RECEIPTS OVER (UNDER) EXPENDITURES	(114)	384,866	
Beginning Unencumbered Cash Balance	114	549,302	
Prior Period Adjustment (Note)		(344,247)	
Beginning Unencumbered Cash Balance (Restated)	114	205,055	
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 589,921	

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**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - NOXIOUS WEED
SPECIAL REVENUE FUND - (SCHEDULE 2)**

NEMAHA COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 184,058	\$ 157,498	\$ (26,560)
Motor vehicle tax	18,388	19,794	1,406
Recreation vehicle tax	249	283	34
Delinquent tax		97	97
Excise Tax		16	16
Redemptions		617	617
Reimbursements	100,000	126,559	26,559
TOTAL CASH RECEIPTS	302,695	304,864	2,169
Expenditures:			
Personnel expenditures	86,500	94,202	(7,702)
Contractual and other expenditures	34,250	76,000	(41,750)
Material and supplies	182,500	97,300	85,200
TOTAL EXPENDITURES	303,250	267,502	35,748
RECEIPTS OVER (UNDER) EXPENDITURES	(555)	37,362	
Beginning Unencumbered Cash Balance	555	54,825	
Prior Period Adjustment (Note)		(52,620)	
Beginning Unencumbered Cash Balance (Restated)	555	2,205	
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 39,567	

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - EMPLOYEE BENEFITS FUND
SPECIAL REVENUE FUND - (SCHEDULE 2)**

NEMAHA COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 836,370	\$ 830,857	\$ (5,513)
Motor vehicle tax	89,671	97,248	7,577
Recreation vehicle tax	1,212	1,385	173
Delinquent tax		597	597
Excise Tax		78	78
Redemptions		3,976	3,976
Reimbursements		1,875	1,875
TOTAL CASH RECEIPTS	927,253	936,016	8,763
Expenditures:			
Personnel expenditures	1,230,000	1,170,781	59,219
Contractual and other expenditures	30,000	66,511	(36,511)
TOTAL EXPENDITURES	1,260,000	1,237,292	22,708
RECEIPTS OVER (UNDER) EXPENDITURES	(332,747)	(301,276)	
Beginning Unencumbered Cash Balance	332,747	393,313	
Prior Period Adjustment (Note)		10,219	
Beginning Unencumbered Cash Balance (Restated)	332,747	403,532	
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 102,256	

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - ELECTION
SPECIAL REVENUE FUND - (SCHEDULE 2)**

NEMAHA COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 55,984	\$ 55,471	\$ (513)
Motor vehicle tax	10,661	11,490	829
Recreation vehicle tax	144	164	20
Delinquent tax		57	57
Excise Tax		9	9
Redemptions		358	358
Reimbursements		4,162	4,162
TOTAL CASH RECEIPTS	66,789	71,711	4,922
Expenditures:			
Personnel expenditures	42,000	47,263	(5,263)
Contractual and other expenditures	44,000	16,903	27,097
Material and supplies	20,280	6,912	13,368
TOTAL EXPENDITURES	106,280	71,078	35,202
RECEIPTS OVER (UNDER) EXPENDITURES	(39,491)	633	
Beginning Unencumbered Cash Balance	39,491	58,085	
Prior Period Adjustment (Note)		(39,400)	
Beginning Unencumbered Cash Balance (Restated)	39,491	18,685	
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 19,318	

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - MENTAL HEALTH
SPECIAL REVENUE FUND - (SCHEDULE 2)**

NEMAHA COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 51,675	\$ 51,157	\$ (518)
Motor vehicle tax	6,093	6,555	462
Recreation vehicle tax	82	94	12
Delinquent tax		36	36
Excise Tax		5	5
Redemptions		213	213
TOTAL CASH RECEIPTS	57,850	58,060	210
Expenditures:			
Contractual and other expenditures	57,850	57,850	-
RECEIPTS OVER (UNDER) EXPENDITURES	-	210	
Beginning Unencumbered Cash Balance			
Prior Period Adjustment (Note)		(151)	
Beginning Unencumbered Cash Balance (Restated)		(151)	
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 59	

See Independent Auditor's Report

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - CONSERVATION DISTRICT
SPECIAL REVENUE FUND - (SCHEDULE 2)**

NEMAHA COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 28,966	\$ 28,678	\$ (288)
Motor vehicle tax	3,388	3,644	256
Recreation vehicle tax	46	52	6
Delinquent tax		20	20
Excise Tax		3	3
Redemptions		123	123
TOTAL CASH RECEIPTS	32,400	32,520	120
Expenditures:			
Contractual and other expenditures	32,400	32,399	1
RECEIPTS OVER (UNDER) EXPENDITURES	-	121	
Beginning Unencumbered Cash Balance			
Prior Period Adjustment (Note)		(84)	
Beginning Unencumbered Cash Balance (Restated)		(84)	
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 37	

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**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - HISTORICAL
SPECIAL REVENUE FUND - (SCHEDULE 2)**

NEMAHA COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 1,790	\$ 1,756	\$ (34)
Motor vehicle tax	207	220	13
Recreation vehicle tax	3	3	-
Delinquent tax		1	1
Redemptions		7	7
TOTAL CASH RECEIPTS	2,000	1,987	(13)
Expenditures:			
Contractual and other expenditures	2,000	1,987	13
RECEIPTS OVER (UNDER) EXPENDITURES	-	-	
Beginning Unencumbered Cash Balance			
Prior Period Adjustment (Note)		(5)	
Beginning Unencumbered Cash Balance (Restated)		(5)	
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ (5)	

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - AMBULANCE
SPECIAL REVENUE FUND - (SCHEDULE 2)

NEMAHA COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 65,072	\$ 64,577	\$ (495)
Motor vehicle tax	6,913	7,473	560
Recreation vehicle tax	93	107	14
Delinquent tax		41	41
Excise Tax		6	6
Redemptions		274	274
TOTAL CASH RECEIPTS	72,078	72,478	400
Expenditures:			
Contractual and other expenditures	90,000	82,600	7,400
RECEIPTS OVER (UNDER) EXPENDITURES	(17,922)	(10,122)	
Beginning Unencumbered Cash Balance	17,922	37,209	
Prior Period Adjustment (Note)		(1,900)	
Beginning Unencumbered Cash Balance (Restated)	17,922	35,309	
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 25,187	

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**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - ABANDONED CEMETERIES
SPECIAL REVENUE FUND - (SCHEDULE 2)**

NEMAHA COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 4,050	\$ 4,004	\$ (46)
Motor vehicle tax	382	424	42
Recreation vehicle tax	5	6	1
Delinquent tax		3	3
Redemptions		24	24
TOTAL CASH RECEIPTS	4,437	4,461	24
Expenditures:			
Contractual and other expenditures	10,000	8,259	
RECEIPTS OVER (UNDER) EXPENDITURES	(5,563)	(3,798)	
Beginning Unencumbered Cash Balance	5,563	11,294	
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 7,496	

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - MENTAL RETARDATION
SPECIAL REVENUE FUND - (SCHEDULE 2)**

NEMAHA COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 71,514	\$ 70,861	\$ (653)
Motor vehicle tax	8,373	9,011	638
Recreation vehicle tax	113	129	16
Delinquent tax		43	43
Excise Tax		7	7
Redemptions		275	275
TOTAL CASH RECEIPTS	80,000	80,326	326
Expenditures:			
Contractual and other expenditures	80,000	79,999	
RECEIPTS OVER (UNDER) EXPENDITURES	-	327	
Beginning Unencumbered Cash Balance			
Prior Period Adjustment (Note)		(218)	
Beginning Unencumbered Cash Balance (Restated)		(218)	
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 109	

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**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - FAIR
SPECIAL REVENUE FUND - (SCHEDULE 2)**

NEMAHA COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 5,184	\$ 5,153	\$ (31)
Motor vehicle tax	608	661	53
Recreation vehicle tax	8	9	1
Delinquent tax		3	3
Excise Tax		1	1
Redemptions		22	22
TOTAL CASH RECEIPTS	5,800	5,849	49
Expenditures:			
Contractual and other expenditures	5,800	5,800	-
RECEIPTS OVER (UNDER) EXPENDITURES	-	49	
Beginning Unencumbered Cash Balance		1	
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 50	

See Independent Auditor's Report

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - SHELTERED WORKSHOP BUILDING
SPECIAL REVENUE FUND - (SCHEDULE 2)**

NEMAHA COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 1,955	\$ 1,968	\$ 13
Motor vehicle tax	105	108	3
Recreation vehicle tax	1	2	1
Delinquent tax		1	1
Redemptions		12	12
Use of money and property	3,383	3,383	-
	<u>5,444</u>	<u>5,474</u>	<u>30</u>
TOTAL CASH RECEIPTS	<u>5,444</u>	<u>5,474</u>	<u>30</u>
Expenditures:			
Contractual and other expenditures	<u>17,500</u>	<u>2,051</u>	<u>15,449</u>
RECEIPTS OVER (UNDER) EXPENDITURES	(12,056)	3,423	
Beginning Unencumbered Cash Balance	<u>12,056</u>	<u>28,340</u>	
ENDING UNENCUMBERED CASH BALANCE	<u><u>\$ -</u></u>	<u><u>\$ 31,763</u></u>	

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - ECONOMIC DEVELOPMENT
SPECIAL REVENUE FUND - (SCHEDULE 2)**

NEMAHA COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Ad valorem tax	\$ 22,349	\$ 22,123	\$ (226)
Motor vehicle tax	2,616	2,813	197
Recreation vehicle tax	35	40	5
Delinquent tax		16	16
Excise Tax		2	2
Redemptions		95	95
TOTAL CASH RECEIPTS	25,000	25,089	89
Expenditures:			
Contractual and other expenditures	25,000	25,000	-
RECEIPTS OVER (UNDER) EXPENDITURES	-	89	
Beginning Unencumbered Cash Balance			
Prior Period Adjustment (Note)		(65)	
Beginning Unencumbered Cash Balance (Restated)		(65)	
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 24	

See Independent Auditor's Report

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - SOLID WASTE
SPECIAL REVENUE FUND - (SCHEDULE 2)**

NEMAHA COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Charges for services	\$ 135,352	\$ 162,947	\$ 27,595
Expenditures:			
Personnel expenditures	55,000	56,440	(1,440)
Contractual and other expenditures	63,102	112,207	(49,105)
Material and supplies	51,898	19,284	32,614
TOTAL EXPENDITURES	170,000	187,931	(17,931)
RECEIPTS OVER (UNDER) EXPENDITURES	(34,648)	(24,984)	
Beginning Unencumbered Cash Balance	34,648	66,286	
Prior Period Adjustment (Note)		(19,572)	
Beginning Unencumbered Cash Balance (Restated)	34,648	46,714	
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 21,730	

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - ENHANCED 911 PHONE SERVICE
SPECIAL REVENUE FUND - (SCHEDULE 2)**

NEMAHA COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Grants	\$ 45,000	\$ 39,549	\$ (5,451)
Expenditures:			
Contractual and other expenditures		35,204	(35,204)
Capital Outlay	179,236		179,236
TOTAL EXPENDITURES	179,236	35,204	144,032
RECEIPTS OVER (UNDER) EXPENDITURES	(134,236)	4,345	
Beginning Unencumbered Cash Balance	134,236	125,089	
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 129,434	

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - ENHANCED 911 CELL PHONES
SPECIAL REVENUE FUND - (SCHEDULE 2)**

NEMAHA COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Grants	\$ 20,000	\$ 14,854	\$ (5,146)
Expenditures:			
Capital Outlay	67,462		67,462
RECEIPTS OVER (UNDER) EXPENDITURES	(47,462)	14,854	
Beginning Unencumbered Cash Balance	47,462	63,456	
ENDING UNENCUMBERED CASH BALANCE	<u>\$ -</u>	<u>\$ 78,310</u>	

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - PARKS AND RECREATION
SPECIAL REVENUE FUND - (SCHEDULE 2)**

NEMAHA COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Local alcohol liquor tax	\$ 5,000	\$ 1,338	\$ (3,662)
Expenditures:			
Contractual and other expenditures	10,148	2,272	7,876
RECEIPTS OVER (UNDER) EXPENDITURES	(5,148)	(934)	
Beginning Unencumbered Cash Balance	5,148	15,401	
ENDING UNENCUMBERED CASH BALANCE	<u>\$ -</u>	<u>\$ 14,467</u>	

**SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - ALCOHOLIC CONTROL
SPECIAL REVENUE FUND - (SCHEDULE 2)**

NEMAHA COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Local alcohol liquor tax	\$ 10,000	\$ 19,772	\$ 9,772
Expenditures:			
Contractual and other expenditures	16,330	11,886	4,444
RECEIPTS OVER (UNDER) EXPENDITURES	(6,330)	7,886	
Beginning Unencumbered Cash Balance	6,330	18,302	
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 26,188	

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
BUDGET AND ACTUAL - REGISTER OF DEEDS TECHNOLOGY FUND
SPECIAL REVENUE FUND - (SCHEDULE 2)

NEMAHA COUNTY, KANSAS

Year Ended December 31, 2011

	Budget	Actual	Favorable (Unfavorable) Variance
Cash Receipts:			
Licenses, permits, and fees	\$ 50,000	\$ 12,112	\$ (37,888)
Expenditures:			
Contractual and other expenditures		2,864	(2,864)
Material and supplies	66,135	7,741	58,394
TOTAL EXPENDITURES	66,135	10,605	55,530
RECEIPTS OVER (UNDER) EXPENDITURES	(16,135)	1,507	
Beginning Unencumbered Cash Balance	16,135	26,504	
ENDING UNENCUMBERED CASH BALANCE	\$ -	\$ 28,011	

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
NON-BUDGETED SPECIAL REVENUE FUNDS (SCHEDULE 2)

NEMAHA COUNTY, KANSAS

Year Ended December 31, 2011

	Concealed Carry Handgun	Prosecutor Training Account	Special Administration
Cash Receipts:			
Licenses, Permits, and Fees	\$	\$ 914	\$ 20,958
Reimbursements	2,902		
TOTAL CASH RECEIPTS	2,902	914	20,958
Expenditures:			
Contractual and other expenditures			20,958
RECEIPTS OVER (UNDER) EXPENDITURES	2,902	914	-
Beginning Unencumbered Cash Balance	2,883	9,022	
ENDING UNENCUMBERED CASH BALANCE	\$ 5,785	\$ 9,936	\$ -

See Independent Auditor's Report.

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
NON-BUDGETED SPECIAL REVENUE FUNDS
CAPITAL AND EQUIPMENT RESERVE FUNDS (SCHEDULE 2)

NEMAHA COUNTY, KANSAS

Year Ended December 31, 2011

	Special Machinery and Equipment	Capital Outlay	Waste Disposal
Cash Receipts:			
Taxes and Shared Revenue	\$	\$	\$
Transfers	598,000	417,600	2
TOTAL CASH RECEIPTS	598,000	417,600	2
Expenditures:			
Contractual and other expenditures	1	596,546	2
Capital Outlay	317,291	51,746	
TOTAL EXPENDITURES	317,292	648,292	2
RECEIPTS OVER (UNDER) EXPENDITURES	280,708	(230,692)	-
Beginning Unencumbered Cash Balance	10,529	3,869,510	
Prior Period Adjustment (Note)	404,806	(133,600)	
Beginning Unencumbered Cash Balance (Restated)	415,335	3,735,910	
ENDING UNENCUMBERED CASH BALANCE	\$ 696,043	\$ 3,505,218	\$ -

See Independent Auditor's Report.

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
NON-BUDGETED SPECIAL REVENUE FUNDS (SCHEDULE 2)
GRANT AND DONATION FUNDS

NEMAHA COUNTY, KANSAS

Year Ended December 31, 2011

	Transportation Fund	Title III C-1	Title III C-2	Broxterman EMT	Broxterman Home Health
Cash Receipts:					
Charges for Services	\$ 14,411	\$ 37,613	\$ 13,720	\$	\$
Reimbursements	4,169	57,741	30,090		
Grants	64,285	26,731	10,516		
Miscellaneous				179,994	179,994
TOTAL CASH RECEIPTS	82,865	122,085	54,326	179,994	179,994
Expenditures:					
Personnel expenditures	62,371	75,757	32,275		
Contractual and other expenditures	13,120	24,579	1,024		
Materials and supplies	5,920	21,921	20,746		
Grant expense					
TOTAL EXPENDITURES	81,411	122,257	54,045	-	-
RECEIPTS OVER (UNDER) EXPENDITURES	1,454	(172)	281	179,994	179,994
Beginning Unencumbered Cash Balance	1,406	4,002	2,469		
Prior Period Adjustment (Note)	(982)	(1,744)	(126)		
Beginning Unencumbered Cash Balance (Restated)	424	2,258	2,343		
ENDING UNENCUMBERED CASH BALANCE	\$ 1,878	\$ 2,086	\$ 2,624	\$ 179,994	\$ 179,994

See Independent Auditor's Report.

SCHEDULE OF CASH RECEIPTS AND EXPENDITURES
NON-BUDGETED SPECIAL REVENUE FUNDS (SCHEDULE 2)
GRANT AND DONATION FUNDS

NEMAHA COUNTY, KANSAS

Year Ended December 31, 2011

	Broxterman Disabled - Mental	Donations	Heritage Trust Fund	Drug Enforcement	Grants
Cash Receipts:					
Charges for Services	\$	\$	\$	\$	\$
Reimbursements					
Grants					516,577
Miscellaneous	119,996		2,287		
TOTAL CASH RECEIPTS	119,996	-	2,287	-	516,577
Expenditures:					
Personnel expenditures					
Contractual and other expenditures					7,135
Materials and supplies					
Grant expense			2,678		525,311
TOTAL EXPENDITURES	-	-	2,678	-	532,446
RECEIPTS OVER (UNDER) EXPENDITURES	119,996	-	(391)	-	(15,869)
Beginning Unencumbered Cash Balance		1,995	2,183	96	30,270
Prior Period Adjustment (Note)					
Beginning Unencumbered Cash Balance (Restated)		1,995	2,183	96	30,270
ENDING UNENCUMBERED CASH BALANCE	\$ 119,996	\$ 1,995	\$ 1,792	\$ 96	\$ 14,401

See Independent Auditor's Report.

**SUMMARY OF CASH RECEIPTS, CASH DISBURSEMENTS, AND UNENCUMBERED
CASH - AGENCY FUNDS (SCHEDULE 3)**

NEMAHA COUNTY, KANSAS

For the Year Ended December 31, 2011

	Beginning Cash Balance (Restated)	Cash Receipts	Cash Disbursements	Ending Cash Balance
Distributable Funds:				
Current Ad Valorem Taxes	7,903,142	14,064,891	13,694,442	8,273,591
Revitalization Tax		12,018	12,018	-
Vehicle Excise Tax		1,234	1,234	-
Motor Vehicle Tax	29,265	1,324,364	1,321,557	32,072
RV Tax	231	18,567	18,755	43
Delinquent Tax	7,221	24,400	7,648	23,973
Redemption and Assignments	53,371	141,467	54,036	140,802
Special City & County Hwy		449,285	449,285	-
Motor Vehicle	0	879,248	879,248	-
Motor Vehicle Sales Tax	45,814	546,110	553,868	38,056
Other	(0)	21,844	21,844	-
Total Distributable Funds	8,039,044	17,483,428	17,013,935	8,508,537
State Funds:				
State Education Building		129,930	129,930	-
State Institutional Building		64,971	64,971	-
State General Fund		4	4	-
Total State Funds	-	194,905	194,905	-
Subdivision Funds:				
School Districts	37,636	5,146,169	5,123,445	60,360
Townships		1,295,563	1,295,563	-
Cities		1,469,811	1,469,811	-
Fire Districts		131,778	131,778	-
Libraries		108,125	108,125	-
Watershed Districts	566	100,249	100,815	-
Cemeteries	75	67,073	67,148	-
Total Subdivision Funds	38,277	8,318,768	8,296,685	60,360

See independent auditor's report.

**SUMMARY OF CASH RECEIPTS, CASH DISBURSEMENTS, AND UNENCUMBERED
CASH - AGENCY FUNDS (SCHEDULE 3)**

NEMAHA COUNTY, KANSAS

For the Year Ended December 31, 2011

	Beginning Cash Balance (Restated)	Cash Receipts	Cash Disbursements	Ending Cash Balance
Other Agency Funds:				
Health Insurance Fund	157,291			157,291
State Filing Fees	12			12
Cemetery Road Maintenance		9,982		9,982
County Fee		595	595	-
Overpayment	0	8,590	8,590	-
Game Licenses	804	10,255	10,489	570
Unclaimed Legacy & Money	33,326			33,326
Long & Short	46	(1)		45
Community Hospital #1		9,060	9,060	-
Community Hospital #1 B&I		15	15	-
Micro-Loan Grant Fund	14,151	11,257		25,408
Payroll Clearing		3,731,313	3,730,824	489
Meadowlark #7 Joint Extension		209,980	209,980	-
Baileyville Improvement District		1,554	1,554	-
Stray Account		932	279	653
Total Other Agency Funds	205,630	3,993,532	3,971,386	227,776
Total Agency Funds Per County Ledger	8,282,951	29,990,633	29,476,911	8,796,673
Outside Accounts Considered to be Agency Funds				
District Court	23,719	224,562	220,440	27,841
Law Library	26,170	7,010	13,734	19,446
Sheriff - General Fund	3,006	46,529	46,529	3,006
Sheriff - Motor Vehicle Fund	12	7,475	7,475	12
Sheriff - Inmate	1,609	10,540	11,442	707
Sheriff - Tax Fund	5	5,099	5,099	5
Transportation	2	11,786	11,684	104
Nutrition Center	1	16,469	16,160	310
EFTPS Withholding Account	23,485	78,153		101,638
	78,009	407,623	332,563	153,069
TOTAL AGENCY FUNDS	\$ 8,360,960	\$ 30,398,256	\$ 29,809,474	\$ 8,949,742

See independent auditor's report.

SCHEDULE 4 - RECONCILIATION OF 2010 TAX ROLL

NEMAHA COUNTY, KANSAS

Year Ended December 31, 2011

2010 Tax roll - as adjusted:

County Clerk's abstract of 2010 tax roll	\$ 13,664,888
Special assessments	6,700
Intangibles	44,898
16/20 M trucks	103,073
General tax differences	(31)
Adjustments to original tax roll:	
Added taxes	14,065
Abated taxes	(31,231)

Adjusted 2010 tax roll	<u>\$ 13,802,362</u>
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2010 tax roll - as accounted for:

Distributions	\$ 13,682,591
Delinquent warrants	23,644
Delinquent redemptions	<u>96,127</u>

2010 tax roll accounted for	<u>\$ 13,802,362</u>
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See independent auditor's report.

**SCHEDULE 5 - CASH RECEIPTS AND EXPENDITURES
CLERK OF THE DISTRICT COURT**

NEMAHA COUNTY, KANSAS

Year Ended December 31, 2011

Balance, Beginning of Year	<u>\$ 23,719</u>
Receipts:	
Clerk fees - State	59,222
Law enforcement training center	6,670
Interest	85
Fines	43,075
Marriage license fees	2,832
Clerk fees - County	3,185
Prosecuting attorney training center	916
County attorney fee	5,383
Law library	6,559
State attorney fee	6,056
Refund	63
Judicial branch surcharge	22,072
Indigent defense fees	1,550
Judgements, restitutions, etc.	39,446
Other	<u>27,447</u>
TOTAL RECEIPTS	<u>224,561</u>
Expenditures:	
To State Treasurer:	
Clerk fees	59,222
Law enforcement training center	6,670
Reinstatement fees	1,062
Interest	86
Fines	43,075
Marriage license fees	2,832
State attorney fee	6,056
Indigent defense fees	<u>1,550</u>
TOTAL EXPENDITURES TO STATE TREASURER	<u>120,553</u>

See independent auditor's report.

**SCHEDULE 5 - CASH RECEIPTS AND EXPENDITURES
CLERK OF THE DISTRICT COURT**

NEMAHA COUNTY, KANSAS

Year Ended December 31, 2011

Expenditures:

To County Treasurer:

Clerk fees	\$	3,185
Prosecuting attorney training		916
County attorney fees		5,383
Law library		6,559
Refund		63
Other		30,533

TOTAL EXPENDITURES TO COUNTY TREASURER 46,639

Judgement, restitutions, and other	31,175
Judicial branch surcharge	22,072

53,247

TOTAL EXPENDITURES 220,439

Balance, End of Year \$ 27,841

Composition of ending balance:

Cash in United Bank & Trust Seneca, Kansas	<u>\$ 27,841</u>
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See independent auditor's report.

**SCHEDULE 5 - CASH RECEIPTS AND EXPENDITURES
LAW LIBRARY**

NEMAHA COUNTY, KANSAS

Year Ended December 31, 2011

Balance, Beginning of Year	\$	26,170
Receipts:		
Fees		6,932
Miscellaneous		<u>78</u>
	TOTAL RECEIPTS	<u>7,010</u>
Expenditures:		
Publications		2,834
Computer		9,971
Miscellaneous		<u>929</u>
	TOTAL EXPENDITURES	<u>13,734</u>
Balance, End of Year	\$	<u><u>19,446</u></u>
Composition of ending balance:		
Cash in United Bank & Trust, Seneca, Kansas	\$	<u><u>19,446</u></u>

See independent auditor's report.